

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1331 - SB 1363

April 1, 2015

SUMMARY OF BILL: Prohibits a local education agency (LEA) from contracting with a service provider for a virtual school, if the contract requires the LEA to pay more per pupil for students in its virtual school than the operator or manager charges individual students for its services.

ESTIMATED FISCAL IMPACT:

Other Fiscal Impact – Payments for services by LEAs to online education content providers will either be reduced or remain unchanged. If a price reduction for LEAs were to occur, the amount of any such reduction is unknown and dependent upon rates set forth in individual contracts.

Assumptions:

- If enacted, it is not known if an affected provider of online educational content would lower rates charged to LEAs, raise rates charged to individual students, stop serving individual students, or be able to prove that their current rate structure does not set charge LEAs and individual students differently for the same services.
- Based on information from the Department of Education, Union County Schools will be impacted by this legislation. Any potential cost reduction for Union County Schools is dependent upon the difference between their contracted rate and the current rate charged by their online educational content provider to individual students. Currently, the FRC staff does not have data on those rates; therefore, the any potential decrease in local expenditures cannot be reasonably quantified.
- No change in the number of virtual schools statewide.
- No change in the Basic Education Program (BEP) funding formula.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "Jeffrey L. Spalding".

Jeffrey L. Spalding, Executive Director

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